Before the

FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

In Re Applications of)	MM Docket No. 93-75	
TRINITY BROADCASTING OF FLORIDA, INC.)	BRCT-911001LY	
For Renewal of License of Television Station WHFT(TV) Miami, Florida)		
GLENDALE BROADCASTING COMPANY)	BPCT-911227KE	
For Construction Permit Miami, Florida	,))		

VOLUME II-A(1)

HEARING EXHIBITS

TRINITY BROADCASTING OF FLORIDA, INC.
TRINITY BROADCASTING NETWORK
NATIONAL MINORITY TELEVISION, INC.

TBF Exhibit 101 (Vol. 1)

TRINITY BROADCASTING OF FLORIDA, INC.,

TRINITY BROADCASTING NETWORK,

NATIONAL MINORITY TELEVISION, INC.

Mullin, Rhyne, Emmons and Topel, P.C.
1000 Connecticut Ave. - Suite 500 Washington, D.C. 20036-5383
(202) 659-4700

VOLUME II-A(1)

HEARING EXHIBITS

TRINITY BROADCASTING OF FLORIDA, INC. TRINITY BROADCASTING NETWORK NATIONAL MINORITY TELEVISION, INC.

TBF	Exhi	bi	t	10	1	•	•	•	•	Testimony of Pearl Jane Duff
	Tab	A	•	•	•	•	•	•	•	Letter of Jane Duff Dated April 26, 1989
	Tab	В	•	•	•	•	•	•	•	Minutes of NMTV Meeting Held June 22, 1987
	Tab	С	•		•	•	•	•	•	Minutes of NMTV Meeting Held December 12, 1988
	Tab	D	•	•	•	•	•	•	•	ByLaws of Translator T.V., Inc.
	Tab	E	•	•	•	•	•	•	•	ByLaws of Trinity Broadcasting Network, Inc.
	Tab	F	•	•	•	•	•	•	•	FCC Instructions Re Low Power Television/Television Translator Construction Permit Applications
	Tab	G	•	•	•	•	•	•	•	KTBN-TV License Renewal Application and Related Materials Filed July 29, 1988
	Tab	Н	•	•	•	•	•	•	•	FCC Documents Reflecting TBN Address
	Tab	I	•	•		•	•	•	•	NMTV Submission to FCC Dated April 14, 1987

Tab	J	•	•	•	•	•	•	•	Letters to FCC Dated June 1, 1987, and May 25, 1989 (with Enclosures)
Tab	K	•	•	•	•	•	•	•	Article from <u>Los Angeles Times</u> , January 28, 1989
Tab	L	•	•	•	•	•	•		TTI Translator Application for Houston (Stafford), Texas, Filed December 5, 1980
Tab	M	•	•	•	•	•	•	•	TTI Translator Application for Fort Worth, Texas, Filed December 23, 1980
Tab	N	•	•	•	•	•	•	•	TTI Petitions for Waiver of §74.702
Tab	0	•	•	•	•	•	•	•	Minority Preference Certifications
Tab	P	•	•	•	•	•	•	•	Letter of February 10, 1992, from Joseph E. Dunne III to Terrence Hickey
Tab	Q	•	•	•	•	•	•	•	NMTV Application To Acquire Odessa, Texas, Construction Permit, Filed February 3, 1987

TESTIMONY OF PEARL JAME DUFF

1. My name is Pearl Jane Duff. I reside at 22156 Tama Drive, Lake Forest, California 92630. I am Black, a citizen of the United States, and a Director of National Minority TV, Inc. ("NMTV"). I prefer to be called Jane Duff, and I sometimes sign my name "Jane P. Duff."

2. I am submitting this tooking.

Federal Con	mmunications Commission					
Docket No. 93-78 Exhibit No. 7861						
Presented by ΔS	A TOTAL TOTA					
Disposition (Received 12:1:43 Rejected AA, BB FFRE					
Reporter	June W					
Date 11.30	43					

.. At

action permit for

the Houston market.

d NMTV had to decide

the permit. The permit was

cility and, at the time, NMTV

pects. Specifically, we had just

ation on the air in Odessa, Texas, a

lad just closed in December 1988 on the

rmit for another full-power station in a

tland, Oregon; and we were actively planning

on of the Portland station. I therefore felt that

TESTIMONY OF PEARL JANE DUFF

- 1. My name is Pearl Jane Duff. I reside at 22156 Tama Drive, Lake Forest, California 92630. I am Black, a citizen of the United States, and a Director of National Minority TV, Inc. ("NMTV"). I prefer to be called Jane Duff, and I sometimes sign my name "Jane P. Duff."
- 2. I am submitting this testimony to address issues that the Federal Communications Commission ("FCC") has designated to determine whether Paul F. Crouch, Trinity Christian Center of Santa Ana, Inc. d/b/a Trinity Broadcasting Network ("TBN") or its affiliates exercised de facto control over NMTV; and whether NMTV, Paul F. Crouch, TBN or its affiliates or principals abused the FCC processes when NMTV claimed in applications for low and full power television stations that NMTV is controlled by minorities.
- 3. I have been a Director of NMTV since it was formed in 1980 and I am responsible for administering the company's day-to-day business. In this testimony, I first will give a preliminary overview concerning the designated issues. I next will provide a description of my personal background and the history of NMTV. I then will address the specific factors that are mentioned in the FCC's Hearing Designation Order, FCC 93-148 ("HDO"). For the sake of clarity, I would point out that NMTV was incorporated in 1980 under the name Translator TV, Inc.

testimony I will use "NMTV" to mean the company under both of its names, unless the specific context requires that I refer to "TTI." Also, because it is cumbersome to state repeatedly that TBN "and its affiliates or principals" do not control NMTV, when I refer to "TBN" in the context of control of NMTV, I mean TBN and its affiliates or principals.

A. Overview

- 4. NMTV is a non-profit, non-stock corporation. Its only members are the members of the Board of Directors. Blacks and Hispanics have always comprised a majority of NMTV's Board. The only non-minority member of the Board has been Paul Crouch. At important junctures, the minority Board members have outvoted him on significant corporate issues:
- a. In early 1989 NMTV held a construction permit for a low power station in Stafford, Texas, in the Houston market. The permit was nearing expiration, and NMTV had to decide whether to build the station or sell the permit. The permit was for a relatively small 100 watt facility and, at the time, NMTV was very busy with bigger projects. Specifically, we had just put our first full-power station on the air in Odessa, Texas, a few months earlier; we had just closed in December 1988 on the acquisition of a permit for another full-power station in a major market, Portland, Oregon; and we were actively planning the construction of the Portland station. I therefore felt that

we should concentrate on those projects and not build the low power station in Stafford. I called Pastor David Espinoza, who is Hispanic and was then the third NMTV Director, and discussed the situation with him. He agreed with me that we should sell the Stafford permit. Dr. Crouch disagreed. He said he wanted NMTV to build the Houston market station. At the time, and still today, the TBN affiliate in the Houston market is an educational station which does not carry the week-long, 24-houra-day telethons that TBN broadcasts twice a year as its major fundraising events. An NMTV low power station in the market could have carried the TBN telethons in their entirety which would have yielded significant fundraising revenues to TBN. Even though TBN would therefore have benefitted if NMTV had built the Stafford low power station, Pastor Espinoza and I decided not to build it, and NMTV sold the permit instead. Attached to this testimony at Tab A is a letter to FCC counsel I wrote on April 26, 1989, confirming that Dr. Crouch wanted to build the Houston area station, but that NMTV decided to sell it over his objection.

b. In June 1987, the reverse situation occurred; Dr. Crouch wanted to sell a permit but Pastor Espinoza and I wanted to keep it and build the station. Specifically, after the FCC had approved NMTV's purchase of the unbuilt Odessa station, Dr. Crouch expressed the view that NMTV should sell the Odessa permit and try to acquire a station in another area. Pastor

Espinoza and I strongly disagreed. I was very proud and excited that we had a minority-owned company that had the chance to build a full power facility, and I believed that we had a responsibility to make this minority venture succeed. I felt that NMTV's sale of the permit would symbolize and be perceived as another failure by a minority company, and I was strenuously opposed to that happening. Pastor Espinoza agreed with me and stressed that the Odessa area had many Hispanics who deserved to When Dr. Crouch made a motion that NMTV explore be served. selling the Odessa permit, Pastor Espinoza and I declined to second the motion. As a result, NMTV proceeded to build the Odessa station, and TBN advanced over \$700,000 in financing for that purpose. A copy of the minutes of NMTV's meeting held on June 22, 1987, reflecting the decision that Pastor Espinoza and I made to reject Dr. Crouch's proposal is attached to this testimony at Tab B.

c. In October 1988, NMTV's Odessa station went on the air. The permit for the station had been issued in 1985 to the prior permittee, who had been unable to build it. Thus, as a result of NMTV's efforts, an unbuilt station was placed in service. Shortly afterward, in December 1988, Dr. Crouch tried again to persuade Pastor Espinoza and me to sell the station. We again rejected his proposal. I thought that the station had gotten off to a satisfactory start and should be given a chance to develop. I also continued to feel very strongly that I did

not want the first venture of our minority-owned company to be tainted with failure. Pastor Espinoza said he thought that the minority community the station served should be given further opportunity to see the station. Dr. Crouch's proposal to sell the station was tabled. A copy of the minutes of NMTV's meeting held on December 12, 1988, reflecting the decision that Pastor Espinoza and I made to reject Dr. Crouch's proposal is attached to this testimony at Tab C.

- NMTV also was preparing to close on its acquisition of the Portland construction permit later that month. At the meeting I reported to the Board about a building that was for sale which could possibly be used for the station's studio. The asking price for the building was \$650,000. Dr. Crouch proposed that NMTV offer not more than \$400,000 to buy the building. I felt that an offer limited to \$400,000 would not give us a realistic chance to buy the building and would probably not be taken seriously. Pastor Espinoza likewise expressed opposition to the proposal, and neither he nor I would second Dr. Crouch's motion. I then proposed that we offer \$500,000 for the building. Pastor Espinoza seconded my motion and, by our two votes "yes" to Dr. Crouch's one vote "no," my proposal was adopted. The minutes that are included in Tab C reflect these actions as well.
- 5. The participation of minorities on NMTV's Board has extended beyond such formal votes. NMTV's minority-controlled

Board has made a strong commitment to employing, training, and promoting minorities; to initiating outreach to the minority community; and to producing local minority programming, all of which are now being realized at our Portland station. The minorities on the Board have caused the company to retain a minority attorney, Mr. Tyrone Brown, when they felt that action was warranted to review the issues being considered at the FCC; and they have participated at numerous meetings and in various corporate actions. NMTV has a functioning minority-controlled Board of Directors, and I at all times have considered NMTV to be a minority-controlled company.

6. Under the Bylaws of NMTV, decisions are made by majority vote of the Board of Directors. A copy of the Bylaws is attached at Tab D. Section 9 of the Bylaws provides that, subject to California legal requirements, every act or decision made by a majority of the Directors present at a meeting at which a quorum is present is the act of the Board. (Tab D, p. 5.) Section 3 of the Bylaws provides as follows:

"Section 3 - Termination of Membership

The membership of any member shall terminate upon occurrence of any of the following events:

- (a) The resignation of the member.
- (b) The death of the member.
- (c) The determination by a majority of the Board of Directors that such termination would be in the best interests of the corporation. Such a determination by a majority of the

directors may be without cause." (Tab D, p. 3.)

Thus, under Section 3(c), the minorities who constitute a majority of NMTV's Board can remove Dr. Crouch from the Board without cause.

7. The Bylaws of TBN are different. Copies of TBN's Bylaws, and revisions of them, are attached at Tab E. Originally, in its 1974 Bylaws, TBN had essentially the same provision for removal of a Director, namely: "A director may be removed from office with or without cause by the vote of a majority of the directors." (Tab E, p. 4.) However, in late 1979, less than a year before NMTV was incorporated, TBN amended its Bylaws to make the removal of Dr. Crouch from the Board of TBN more difficult. A copy of TBN's Bylaws as amended in late 1979 is attached at Tab E, pages 8-23. Section 3 of those Bylaws, with the differences from NMTV's Bylaws marked by shading, is as follows:

"Section 3 - Termination of Membership

The membership of any member shall terminate upon occurrence of any of the following events:

- (a) The resignation of the member.
- (b) The death of the member.
- (c) The determination by a majority of the Board of Directors that such termination would be in the best interests of the corporation. Such a determination by a majority of the directors may be without cause.

The membership of a member holding the office President shall terminate upon occurrence of any of the following events:

- (a) The resignation of such member.
- b) The death of such member.
- (c) The determination by a majority of the Board of Directors that such member:
 - Has failed in a material and serious degree to observe Biblical moral standards;
 - Is suffering from a mental or physical disability to a degree that substantially hinders the performance of his corporate duties; or
 - 3. Has habitually neglected or mishandled his corporate responsibilities to the extent that the normal operations of the corporation are substantially hindered.

Following the termination that such member holding the office of President should be terminated as a member, the following procedures shall be implemented:

- (a) A notice shall be sent by mail by prepaid, first-class, or registered mail to the most recent address of the member, setting forth the expulsion and the reasons therefor. Such notice shall be sent at least 15 days before the proposed effective date of the expulsion.
- (b) The member shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held not fewer than 5 days before the effective date of the proposed expulsion. The hearing will be held by a special member expulsion committee. The notice to the member of his proposed expulsion shall state the date, time, and place of the hearing on his proposed expulsion.
- (c) Following the hearing, the expulsion committee shall decide whether or not the member should in fact be expelled, suspended, or sanctioned in some other way. The decision of the committee shall be final.
- (d) The expulsion committee shall be composed of three persons. One committee member shall be

appointed by those directors who voted in favor of terminating the President's membership. One committee member shall be appointed by the President. The committee members so appointed shall select a third committee member. All members of the expulsion committee shall be believing and confession Christians, who acknowledge and accept Jesus Christ as Lord and Saviour.

Termination of membership of any member as provided herein shall also constitute termination of such member as a director and, where applicable, as an officer of this corporation." (Tab E, pp. 8-9.)

Dr. Crouch is the President of TBN, whose removal is covered by the foregoing language. Thus, unlike the situation with NMTV, where the minorities who comprise a majority of the Board of Directors can remove Dr. Crouch as a Director without cause, Dr. Crouch can be removed as Director of TBN only if a majority of the Board makes a determination that certain criteria of cause have occurred, and then only after a formal notice and expulsion proceeding. The same provision remains in TBN's current Bylaws, which were adopted in 1988 when the corporation changed its name. (Tab E, pp. 26-27.)

8. NMTV first claimed a minority preference at the FCC in February 1984, when I signed certifications that NMTV was entitled to minority preferences with respect to three low power television applications. Before making those certifications, I reviewed the FCC's <u>Public Notice</u> that was released August 19, 1983, which described when applicants are entitled to a minority preference. A copy of that <u>Public Notice</u> is attached at Tab F, pages 1-7. In reviewing that <u>Public Notice</u>, I paid specific

attention to the instruction that appears in paragraph 3.c. under the heading "Minority Preference." That instruction provided as follows:

c. "Unincorporated associations or nonstock corporations with members. If a majority of the members are minorities, the entity is entitled to a minority preference." (Tab F, pp. 3-4.)

Since NMTV was a non-stock corporation whose only members were the members of the Board of Directors, and since a majority of the members were minorities, I believed that, consistent with that instruction, NMTV was entitled to a minority preference.

- 9. Before submitting NMTV's certifications, I also had reviewed the instruction in the <u>Public Notice</u> in paragraph 3.d. under the heading "Minority Preference." That paragraph provided as follows:
 - d. "Unincorporated associations or nonstock corporations without members. If a majority of the governing board (including executive boards, boards of regents, commissions and similar governmental bodies where each board member has one vote) are minorities, the entity is entitled to a minority preference." (Tab F, pp. 3-4.)

This language was consistent with my understanding that, in determining control of nonprofit corporations which are governed by a Board of Directors, the FCC considers the composition of the governing board. Based on the fact that the majority of NMTV's governing board were minorities, and each Board member

had one vote, I believed that NMTV was entitled to a minority preference.

- applications in applications it filed on July 2, 1987. Those applications were filed on the May 1987 version of FCC Form 346, the pertinent pages of which are attached at Tab F, pages 8-9. That form contained the identical instructions that were described in the August 1983 <u>Public Notice</u> concerning the circumstances in which a nonstock corporation like NMTV was entitled to a minority preference. Those instructions are set forth at Tab F, page 9. For the same reasons as stated above, I believed NMTV was entitled to a minority preference.
- 11. Thereafter, commencing with the 1988 filing window, NMTV filed applications for low power stations on the February 1988 version of FCC Form 346. The pertinent pages of that form are attached at Tab F, pages 10-11. As shown at Tab F, page 11, the February 1988 version of Form 346 contained the same instructions as the August 1983 Public Notice and the May 1987 version of Form 346 describing the circumstances in which a nonstock corporation like NMTV was entitled to a minority preference, those being "[i]f a majority of the members are minorities," or "[i]f a majority of the governing board . . . are minorities." Since a majority of the members of NMTV were minorities, and the majority of the governing board of NMTV were

minorities, I believed that NMTV was entitled to the minority preferences it claimed.

- 12. In filing its applications for full power stations, NMTV also submitted to the FCC that it was permissible for Dr. Crouch to have a cognizable interest as President and a Director because NMTV is a minority-controlled company under §73.3555 of the FCC's Rules. My understanding when NMTV made those submissions was that, because minorities comprised the majority of NMTV's Board of Directors, NMTV was in fact a minority-controlled company.
- applications and minority-controlled status under §73.3555, NMTV proceeded in good faith and did not intend to mislead the FCC. My sole focus when NMTV made those claims was that the majority of NMTV's Board of Directors was comprised of minorities, and that minorities therefore controlled NMTV. I believed that NMTV was minority controlled when it so claimed to the FCC, and I still believe today that it is minority controlled.
- 14. Since I am the person who is responsible for the dayto-day affairs of NMTV, the <u>de facto</u> control issue apparently
 centers on the suggestion that I do not exercise my own judgment
 for NMTV, but instead simply function as a surrogate for Paul
 Crouch or TBN. Let me assure the FCC that that is not the case.

 If it were, I obviously would not have outvoted Dr. Crouch

concerning the matters described above. I am a real minority who is a real member of NMTV's Board. I understand and feel deeply that as a Board member I am an owner of NMTV with a commitment and responsibility to conduct NMTV's affairs in the company's best interests. I have considered and referred to NMTV as my own "baby;" I strive for the company to grow and succeed. To be sure, as a Black woman, I have learned most of what I know about television operations as an employee of TBN for the last 14 years. I have understood that such education of minorities is precisely what the FCC's minority employment policies want to accomplish. And, certainly, I have used the knowledge I gain and the experiences I derive while performing my duties at TBN to benefit NMTV. I have thought that the reason the FCC wants minorities to gain experience in the industry is so they can use that experience to own and benefit their own stations. That is what I have done.

that I am employed at TBN. A number of filings made with the FCC over the years plainly reflect that fact. For example, as shown in Tab G, when TBN's Station KTBN-TV filed its renewal application on July 29, 1988, the application openly disclosed that I am the "Administrative Assistant to the President." (Tab G, p. 3.) The application also specified that the FCC should send notices and communications as follows:

Jane Duff 2442 Michelle Drive Tustin, CA 92680 (Tab G, p. 6.)

The application also reflected on its face that 2442 Michelle is the address of TBN. (Tab G, p. 4.) Thus, the application explicitly gave my position and address at TBN and asked the FCC to communicate with me there. As shown in Tab H, which includes a representative sample of other FCC documents, the FCC has been fully apprised that 2442 Michelle Drive is the address of TBN and KTBN-TV. At the time KTBN-TV's renewal application disclosing this information was filed, NMTV's application to acquire its Portland station pursuant to its claim that it is a minority-controlled company was still pending. Clearly I had no intent to conceal my employment at TBN from the FCC, and the FCC granted both applications.

that the FCC staff made when it was processing NMTV's application to acquire the Odessa station, NMTV submitted copies of its organizational documents. A copy of that submission is attached at Tab I. The first sentence of NMTV's Bylaws included in that submission states that, "The principal office for the transaction of the business of the corporation is fixed and located at 2442 Michelle, Tustin, CA." (Tab I, p. 5.) As indicated, other FCC records explicitly recognize that to be the address of TBN and KTBN-TV. In addition, on June 1, 1987, still prior to the FCC's grant of NMTV's application (which occurred

on June 9, 1987), TBN filed an Annual Employment Report for KTBN-TV with the FCC. The pertinent pages of that filing are attached at Tab J. The first page of the Report shows TBN's address at 2442 Michelle Drive. (Tab J, p. 2.) And, the letter transmitting the Report to the FCC states: "xc: Jane Duff (For Public File)," signifying that a copy of the Report was sent to me to be placed in the KTBN-TV public file. (Tab J, p. 1.) Of course, the KTBN-TV public file is located at the KTBN-TV studio at 2442 Michelle Drive. On May 25, 1989, TBN filed an Annual Employment Report at the FCC. The pertinent pages of that filing, which are attached at Tab J, pages 3-4, again show TBN's address at 2442 Michelle (Tab J, p. 4), and also show that I was still responsible for placing the document in the public file at the KTBN-TV studio (Tab J, p. 3).

17. Also, in January 1989 I read an article published in the Los Angeles Times which discussed TBN and NMTV. A copy of that article is attached at Tab K with the pertinent portion marked. Specifically, I read in that article the following paragraphs:

"According to Alan Glasser, a staff attorney with the FCC, the commission requested additional documentation from NMTV to make certain that each of the three listed directors had equal voting rights in the corporation.

'We had our doubts,' Glasser said. 'It doesn't take a quantum leap to see that Mr. Crouch had the money' required to buy, build and equip the stations.

But after examining the corporation's papers, Glasser said, the commission decided that NMTV's structure was 'consistent with the policy' providing for minority ownership and control. He said he could not recall whether commission officials were aware that Duff was Crouch's employee, but if they had been aware of it, it would have been considered 'a minor thing.'" (Tab K, pp. 1-2.)

That paragraph indicated to me that the <u>Times</u> had specifically focused the FCC on the fact that I was employed at TBN and that the FCC did not consider that to be a problem.

- 18. I know that I have not intentionally violated any FCC requirement, and I am unaware that any other NMTV Director has done so. If I have acted improperly, I want to apologize to the FCC and ask that the FCC tell me what I must do to correct the error. I have worked hard throughout my years in the television industry to achieve compliance with FCC requirements and, if I have done something wrong regarding NMTV, I will make the same effort to achieve that compliance.
- 19. My belief, however, is that NMTV has complied with and done honor to the FCC's minority ownership goals, and I am very proud of what we have accomplished. Although NMTV was incorporated in 1980, our first station did not commence operations until late 1988. That station was in the small market of Odessa, Texas, which Arbitron then ranked as the 143rd sized market. We first moved into a major market in late 1989 when our station went on the air in Portland, Oregon, then

ranked the 27th largest market. In both cases, NMTV had acquired unbuilt construction permits and successfully put those stations into operation. Due to unexpected construction delays, our studio for local Portland productions was not completed until the summer of 1992, only a little more than a year ago. During its short operating history, NMTV has launched two stations that the prior permittees were not building, has created meaningful opportunities for minority employment and training in the television industry, has provided programming and community outreach that are beneficial to the minority community, and has given minorities the opportunity to participate at the ownership level of the television industry and to create an example to others that minority ownership can With more time to grow and develop, I believe NMTV will continue to provide more opportunities and more service to the minority community.

B. Background and History

- 20. I was born on June 7, 1934, in Omaha, Nebraska. I graduated from Central High School in three years to go to college early. However, while I was planning for college in 1951, Ralph Duff proposed marriage and we became engaged. We were married on March 2, 1952.
- 21. After marrying early, I made my family my first responsibility. Between 1953 and 1961, Ralph and I had six

children. During the early years of our marriage, Ralph was studying for a degree in pharmacy, which he obtained in approximately 1956. While in school he also worked.

- 22. In 1956 Ralph purchased his own pharmacy in Omaha. Through his participation with the Black business and professional community, we saw how Black business people were "redlined" and unable to get loans; the problems young Black professionals had getting started in business; and the need for housing for minorities.
- 23. From my early years, I have recognized that the church has been a vital rallying point and refuge for Black people. To many Blacks in America, the church has been the focus of our culture, and needy members of the minority community often have found the church to be the only source of assistance. After my marriage, I decided to become involved. I helped dedicate a new church in the Black community and participated actively with its children's ministry. I conducted a Bible School in which I brought minority children into my home where they participated in song, Bible studies, and crafts. I thought of the church and the community as closely interrelated, with the church providing emotional support, assistance for financial problems, care for the sick, and other needed services.
- 24. In 1961 I moved to Sacramento, California. We sold our house and the pharmacy in Omaha, and bought a new house in

Sacramento. Ralph took the exam for admission to the California Pharmacy Board. Then problems arrived. The sale of the Omaha pharmacy fell through, and Ralph failed the state Board exam. As a result, Ralph was without employment for nearly a year, we lost our home, and we had six young children from newborn to eight years old to care for. But we persevered, met our obligations, and consciously refused to file bankruptcy. Ralph later passed the Board, obtained his license, practicing pharmacy. I raise this matter for a specific reason in light of the suggestion that has been made about me in this case. The apparent suggestion of the HDO is that, because TBN employs me and pays my salary, I am so beholden to TBN and Paul Crouch that I act on their behalf in matters concerning NMTV. That suggestion is completely untrue. Having sustained our family during the difficult years when Ralph completed pharmacy school, and having withstood the crises after we moved to Sacramento, we are well able to sustain our family without TBN's paycheck. I can assure the FCC, therefore, that no paycheck from TBN can buy my integrity and honest judgment.

25. While in Sacramento, I continued to experience the close relationship between the church and the minority community. My family joined a new church called Evangel Temple, which was pastored by Rev. Jerry Barnard. Evangel Temple was an inter-racial, inter-denominational church that made a special outreach to minorities and made them feel welcome. It served as

a vehicle to promote inter-racial harmony. As discussed below, my association with Rev. Barnard turned out to be what started my involvement in television.

In approximately 1968 or 1969, I had a profound experience that emphasized to me the important role the church has in building racial harmony. At that time, a race riot occurred at my son's high school. The church had been involved in trying to bring assistance to the public schools and, as a church leader, I went to talk to the school administrators and proposed an idea. I suggested that the school hold an assembly and bring in Rev. Nancy Harmon, who had a ministry that was especially oriented to youths, to sing and address the students. Because of the violence, the school administrators were afraid to have an assembly, but they accepted my idea. Rev. Harmon is white, and I will never forget that after she appeared on the school's stage, and after she sang and spoke, there was total silence, you could hear a pin drop, and the tension and anger from the riot filled the air. But then a young Black girl rose from her seat, walked alone to the front of the auditorium and on to the stage, and shook Nancy Harmon's hand. And in that instant the ice was broken, you could feel the tension break and the atmosphere of hatred disappear. Following that assembly we scheduled Rev. Harmon's ministry into several of the area schools and received positive responses from the students.